

MYNEWS HOLDINGS BERHAD
Registration No. 201301010004 (1039846-T)
(Incorporated in Malaysia)

Minutes of the Eleventh Annual General Meeting of the Company held entirely through live streaming from the Broadcast Venue at Mynews Holdings Berhad's Headquarters at Lot No.3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, PJU 5, Kota Damansara, 47810 Petaling Jaya, Selangor on Tuesday, 26 March 2024 at 10.00 a.m.

Present	:	Mr. Dang Tai Luk ("The Chairman")	Executive Chairman
		Mr. Dang Tai Wen ("The GCEO")	Executive Director/Group Chief Executive Officer ("GCEO")
		Mr. Dang Tai Hock	Executive Director /Chief Executive Officer – Food Division ("CEO – Food")
		Ms. Soon Dee Hwee	Senior Independent Non-Executive Director
		Puan Latifah Binti Abdul Latiff	Independent Non-Executive Director
		Mr. Christopher Koh Swee Kiat	Independent Non-Executive Director
		Shareholders and Proxies (As per Attendance List)	
By invitation	:	External Auditors	Grand Thornton Malaysia PLT
		Invitees as per Attendance List	
In attendance	:	Ms. Lim Gim Choo	Company Secretary
		Ms Chia Fooi Ching	Company Secretary
		Ms. Lim Lay Kiow) Mr. Lai Siew Wai)	Poll Administrator, Tricor Investor & Issuing House Services Sdn Bhd
		Scrutineer	Asia Securities Sdn Bhd
		Audio Visual Broadcast Team	RAHS Event

1.0 Chairman's Address

- 1.1 The Chairman welcomed everyone to the Company's fully virtual Eleventh Annual General Meeting ("**the meeting**" or the "**AGM**") conducted through live streaming from the broadcast venue as stated in the Notice of Eleventh Annual General Meeting dated 23 February 2024. The virtual AGM was in compliance with Section 327(2) of the Companies Act 2016 ("the CA 2016") and Article 74 of the Company's Constitution.
- 1.2 He reminded the meeting that the AGM proceedings and the information shared were deemed confidential. In view thereof, he sought shareholders and attendees' cooperation not to make any visual and audio recording of the meeting.
- 1.3 He then introduced his fellow Board Members who were physically present at the broadcast venue. He informed the meeting that the External Auditors were also physically present at the broadcast venue.

2.0 Quorum

- 2.1 Upon the Company Secretary's confirmation of the presence of a quorum which was in accordance with Article 85 of the Company's Constitution, the Chairman declared that the meeting was properly convened and proceeded to business. He then called the meeting to order.

3.0 Proxies

- 3.1 The Chairman reported that 32 proxy forms were received for the meeting from shareholders who were holding 531,527,914 ordinary shares representing 70.84% of the total shareholdings of the Company. Out of these, shareholders who were holding 530,158,700 ordinary shares representing 70.65% of the total shareholdings of the Company appointed the Chairman of the meeting as their proxy.

4.0 Notice of Meeting

- 4.1 The Chairman informed the meeting that the Company's Annual Report 2023 together with the Circular to Shareholders in relation to Recurrent Related Party Transaction were published on the Company's website on 23 February 2024.
- 4.2 He also informed the meeting that the Notice of Annual General Meeting ("Notice of AGM") which was incorporated in the Annual Report 2023, was also advertised in The New Strait Times on 23 February 2024. Hence, the contents of the Notice of AGM were taken as read.
- 4.3 Before proceeding to discuss the agenda of the meeting, the Chairman informed the meeting that pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of Meeting required the voting to be conducted by poll. Every shareholder who joined online or by proxy would have one vote for every share held.
- 4.4 The Chairman informed the meeting that the Company had appointed Tricor Investor & Issuing House Sdn Bhd ("Tricor") as the Poll Administrator to conduct the polling process which would be conducted by way of electronic voting and Asia Securities Sdn Bhd as Scrutineer to verify the poll results.

- 4.5 The Chairman also informed the meeting that the voting session was already open and shareholders and/or proxies may start registering their votes electronically until the announcement on the closure of the voting session.
- 4.6 At this juncture, Tricor was invited to play a video to brief the shareholders and/or proxies in regard to the online remote voting process. The resolutions under the Agenda of the Notice would be opened for deliberation at the Q&A session and the shareholders or proxies could start to send in their questions via the query box until the announcement on the closure of the Q&A session.
- 4.7 The Chairman informed the meeting that there were 9 Resolutions to be tabled.
- 5.0 Agenda 1: To receive the Audited Financial Statements for the year ended 31 October 2023 together with the Reports of Directors and Auditors thereon.**
- 5.1 Agenda 1 was to receive the Audited Financial Statements (“the AFS”) of the Company for the financial year ended 31 October 2023 together with the Reports of the Directors and Auditors thereon which had been properly circulated to all shareholders within the prescribed period.
- 5.2 The Chairman explained that the AFS were laid for discussion only which is in accordance with Section 340(1) of the Companies Act, 2016 and will not be put forward for voting. Accordingly, it was recorded that the AFS together with the Reports of the Directors and Auditors thereon tabled thereat were duly received.
- 5.3 Thereafter, the Chairman invited the GCEO to present the 2023 highlights and developments of the Company.
- 5.4 The GCEO presented the Company’s performance for financial year ended 31 October 2023 and updated the attendees on the following areas:
- (i) 2023 Milestones
- As at 31 October 2023, Mynews group has a total number of 610 outlets under 4 brands, i.e. myNEWS (431 outlets), CU (131 outlets), WHSmith (19 outlets) and SUPERVALUE (29 outlets).
- (ii) 2023 Financial Performance
- As at 31 October 2023, the Group recorded the following result:
- Revenue RM730 million, an increase of 15.7% as compared to FY 2022 of RM631 million;
 - Gross profit RM256 million, an increase of 20.4% as compared to FY 2022 of RM212 million;
 - Loss before tax RM7 million a decline of 65.4% as compared to FY 2022 of RM21 million; and
 - Loss after tax RM15 million , a decline of 34.7% as compared to FY 2022 of RM24 million.
 - It was significant to note that a large portion of the FY 2023 losses were due to FPC and gestation of CU outlets through high store growth from the previous year.

- The retail revenue of RM729.5 million, retail net loss of RM2.5 million, manufacturing revenue of RM57.6 million and manufacturing loss of RM10.2 million were reported.

(iii) On-going Plans

The Company is embarking on the following initiatives to mitigate the negative impact:

- Cost optimization in the operations
- Control of wastages and stock losses
- Reducing the stock holding days
- Streamlining of SKUs
- Improvement in Supply Chain in tandem with the business model and outlet expansion
- Optimization of suppliers for effective marketing promotion
- Effective working capital management

(iv) Challenges

The Company is facing the following challenges currently:

- More competition within retail convenience landscape
- Inflationary price of raw materials, merchandises and rental
- Minimum wage policy
- Increasing electricity tariff
- Gestation process for CU outlets

(v) Outlook and Prospect

The Company would be expecting improving of business contributed by the following factors:

- Improving outlet footfall
- Expanding range of product mix and margins
- Growing revenue in tandem with outlet expansion for myNEWS, CU, SUPERVALUE and Maru Café
- Increasing FPC's utilization rate

5.5 Having dealt with the presentation, the GCEO passed the Chair back to the Chairman, who proceeded with the remaining items of the agendas.

6.0 Agenda 2: Ordinary Resolution No. 1

To approve the payment of the Directors' Fees of RM215,000 from 27 March 2024 until the next AGM, for the Non-Executive Directors, payable monthly in arrears after each month of completed services of the Directors.

6.1 The Chairman continued with Agenda 2 (Ordinary Resolution No. 1).

6.2 He informed the meeting that Pages 63 and 166 of the Annual Report 2023 had stipulated the details of the payment of Directors' Fees.

7.0 Agenda 3: Ordinary Resolution No. 2

To approve the payment of the Directors' meeting allowance of up to RM57,000 for the period from 27 March 2024 until the next AGM of the Company for the Non-Executive Directors

7.1 The Chairman proceeded to Agenda 3 (Ordinary Resolution No. 2).

7.2 He informed the meeting that Ms Soon Dee Hwee, the Senior Independent Director who is also a shareholder of the Company (the interested Director) would abstain from voting on Resolutions 1 and 2.

8.0 Agenda 4: Ordinary Resolution No. 3

Re-election of director who is retiring in accordance with Article 114(1) of the Company's Constitution

8.1 The Chairman continued with Agenda 4, Ordinary Resolution No. 3 which was to re-elect Mr. Dang Tai Hock, who is retiring in accordance with Article 114(1) of the Company's Constitution.

8.2 He informed the meeting that Mr Dang Tai Hock had indicated his willingness to be re-elected as Director of the Company and Mr Dang Tai Hock's profile is set out on Page 6 of the Annual Report 2023. Mr Dang Tai Hock, the CEO - Food Division who is also a shareholder of the Company (the interested Director) would abstain from voting on Resolution 3.

8.3 Besides the above, the Chairman updated the meeting that Ms Soon Dee Hwee who retires by rotation in accordance with Article 114 (1) of the Company's Constitution, had expressed her intention not to seek re-election. She would like to vacate her office as a Board member by not seeking re-election as Director in the AGM. Her office was retained until the close of the AGM.

9.0 Agenda 5: Ordinary Resolution 4

Re-election of director who is retiring in accordance with Article 124 of the Company's Constitution

9.1 The Chairman moved on to Agenda 5, Ordinary Resolution 4, to re-elect Mr Dang Tai Wen, who is retiring in accordance with the Article 124 of the Company's Constitution.

9.2 Mr Dang Tai Wen, who was re-appointed in September 2023, has indicated his willingness to be re-elected as Director of the Director of the Company and his profile could be found on Page 6 of the Annual Report 2023.

10.0 Agenda 6: Ordinary Resolution No. 5

Re-appointment of Grant Thornton Malaysia PLT as the Company's auditors for the ensuing financial year and to authorise the directors to determine their remuneration

10.1 Agenda 6, Ordinary Resolution No. 5 was to re-appoint Grant Thornton Malaysia PLT as the Company's Auditors for the ensuing financial year and to authorise the Directors to determine their remuneration. The external auditors had indicated their willingness to continue to serve as the Company's auditors for the financial year 2024.

11.0 Agenda 7: Ordinary Resolution No. 6 – Special Business

To approve the authority to allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016 and waiver of pre-emptive rights to new shares under Section 85(1) of the Companies Act 2016

- 11.1 The Chairman informed the meeting that this mandate, if passed, would provide the flexibility to the Company and empower the Directors to speedily allot and issue new shares in the Company of up to 10% of the total number of issued shares of the Company, to be utilized before conclusion of the next AGM, for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).
- 11.2 This resolution if passed, the shareholders of the Company shall also agree to waive their statutory pre-emptive right pursuant to Section 85(1) of the CA 2016. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

12.0 Agendas 8, 9 and 10: Ordinary Resolutions 7, 8 and 9

To approve Proposed Renewal of the Existing Mandate and New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature.

- 12.1 The Chairman informed the meeting that Ordinary Resolutions No. 7 and 8 were for Renewal of Existing Mandate in relation to RRPT and Ordinary Resolution No. 9 was for New Mandate.
- 12.2 Details of the said shareholders' mandates were set out in the Circular to Shareholders dated 23 February 2024.

13.0 Questions & Answers

- 13.1 The Chairman then declared that all the Resolutions of the meeting had been dealt with and informed the meeting that the Company had received a letter from the Minority Shareholders Watch Group ("MSWG") dated 15 March 2024. He then informed the meeting that the replies to MSWG would be presented on screen for shareholders' viewing. The list of questions and responses is enclosed as Appendix 1.
- 13.2 The Chairman passed the meeting to GCEO to continue addressing the questions received prior to the meeting by shareholders. The list of questions and responses is enclosed as Appendix 2.
- 13.3 Thereafter, the Chairman thanked the GCEO and proceeded to address the questions that came in during the meeting after completed the reply to the pre-submitted questions by the GCEO. The list of questions and responses is enclosed as Appendix 3.
- 13.4 Upon completion of the questions and answers session, the Chairman thanked the shareholders for the active participation during the Q&A session.

13.5 At this juncture, the Chairman reminded those participants who had not cast their votes to cast them in the 10 minutes voting session. He further informed that the meeting would be adjourned for 20 minutes to count and validate the poll results after the polling session ended. The meeting would be resumed after 30 minutes for announcing the poll results.

13.6 The meeting was adjourned for the casting of votes by the Poll Administrator and the verification of votes by the Scrutineer. The meeting resumed at 11.30 a.m.

14.0 Result of the Polling

14.1 The results of the polling were projected on the screen for the viewing of the shareholders. Details of the result are enclosed as Appendix 4.

14.2 Based on the poll results duly validated by the Scrutineers and as shown on the screen, the Chairman declared that all Ordinary Resolutions tabled were duly carried.

15.0 Close of Meeting

15.1 Since there was no other business to be transacted, the Chairman declared the meeting closed at 11.35 a.m. and thanked everyone who was present at the meeting. He also wished the Muslim shareholders and attendees a blessed holy month and advance greeting of "Selamat Hari Raya Aidilfitri".

15.2 A vote of thanks was given to the Chair.

**CONFIRMED AS THE CORRECT RECORD
OF THE PROCEEDINGS THEREAT**

CHAIRMAN
DANG TAI LUK

Appendix 1

Reply to MSWG's Letter dated 15 March 2024

Operational & Financial Matters

1. Over the past five financial years, the Group achieved its highest revenue of RM730.24 million in FYE2023 but incurred a loss after tax of RM15.40 million. In contrast, despite generating lower revenue of RM517.73 million in FYE2019, the Group still managed to achieve a profit after tax of RM24.32 million (page 11 of Annual Report (AR) 2023).
 - a) Even with a substantial increase in revenue in FYE2023 compared to FYE2019, what were the primary factors contributing to the Group's continued losses in FYE2023? How can the company formulate strategies to mitigate and resolve these losses?

Mynews' reply:

FY 2019 recorded a lower revenue with higher profit compared with FY 2023 which recorded a higher revenue but still incurred losses was primarily due the following reasons:-

- i) Food Processing Centre (FPC), consisting of Mynews Kineya and Mynews Ryoyupan production plants, were fully launched in October 2019 after a pilot launch in the middle of the year. Both the plants incurred some losses after the launch since they were undergoing the necessary gestation period, but it was not a full year impact. Both the plants were set up to serve Mynews convenience stores, but their productions were disrupted by the closure of Mynews outlets as a result of the unprecedented Covid 19 pandemic that was declared in March 2020. In FY 2023 (post pandemic), supplies to Mynews outlets were ramped up but the outlets had to take a hit of higher wastages from the short shelf-life products. The introduction of ready-to-eat meals and bakes to the stores on a larger scale only took place post pandemic and a period of time was required to create awareness to customers.
 - ii) CU, Korean convenience stores were launched in FY 2021 and the longer than expected gestation period had affected FY 2023 results. Operating costs for CU are generally high due to the food centric concept, with more food equipment and chillers, coupled with staffing and utilities.
 - iii) We encountered cost inflationary pressures post pandemic on raw materials, consumables, capex for store set up, along with implementation of minimum wage and overtime for earnings less than RM4,000.
- b) Is the improved revenue sustainable and is the Group expected to turn profitable in FYE2024?

Mynews' reply:

The improved revenue is sustainable, in line with our business plan to open 100 new stores in FY 2024. We are hopeful that the group may be able to turn around in FY 2024, barring any unforeseen circumstances.

2. The competition for market share and prime locations for new outlets were becoming more intense as most of the players were becoming more aggressive. As the industry becomes more attractive, more new entrants are joining the fray (page 14 of AR2023).

With increasing competition, how would the Group strategies to sustain its business and improve its profitability?

Mynews' reply:

We have become more competitive, dynamic and versatile with different brands and concepts for different locations. Our strategy is to open more stores of different brands, ie myNEWS, SUPERVALUE, CU, WHSmith and Maru Coffee at suitable locations. In addition to meeting competition with the choice of different brands and concepts, this would help in terms of economies of scale with regard to our Head Office costs. Improvement of other operating income will be expected with higher revenue.

3. In FYE2023, CU store network expanded from 125 to 131 outlets. With the rising costs in labour and materials, compounded by the onslaught of inflationary pressure and increase in other operating expenses, the new business took a slightly longer period of gestation than initially anticipated (page 15 of AR2023).
 - a) What is CU store business' % of contribution to the Group revenue and when is the segment expected to turn profitable?

Mynews' reply:

CU contributed 23% of the Group revenue. We are hopeful that it will break-even in FY 2024.

- b) What are the Group's plans for the segment's expansion?

Mynews' reply:

We plan to explore other geographical areas, other than those which CU had already set foot in that area.

- c) Is the Group's improvement in average gross profit margin contributed significantly by the segment?

Mynews' reply:

The slightly higher GP margin for the Group was primarily due to the sales mix.

4. Until now, the group operates a total of 610 outlets, made up of 460 MyNews (including 26 SUPERVALUE), 131 CU and 19 WHSmith outlets. The rate of growth in the number of new stores will increase in FYE2024 (page 15 of AR2023).

How many outlets (and the mix among the 3 types of outlets) are targeted to be established in FYE2024?

Mynews' reply:

We target 100 stores, with the majority of them myNEWS.

Sustainability Matters

1. Looking ahead to the financial year 2024, the Group is excited about a slight shift in its strategic focus. The shift will emphasize research and development, the delivery of high-quality products, advancing waste management practices, and, most significantly, prioritizing the preservation of natural resources, particularly in reducing carbon emissions (page 19 of AR2023).
 - a) In relation to the new strategic focus, what are the pertinent initiatives, KPIs and targets that the Group has set?

Mynews' reply:

Under the ENVIRONMENTAL (E) PILLAR

The Group aims to implement the following initiatives, which are anticipated to yield substantial and beneficial results for both the business and the environment:-

I. DIGITALISATION

- **Stakeholder Impact Assessment / Evaluation:** Assessment through digital surveys and engagement platform to assess the ESG impact of the various stakeholders involved in the operations of the Group's components, considerations such as labour practices, diversity and inclusion and methods of protection of natural resources are some of the considerations weighed in the Assessment / Evaluation.
Target: By phases, Phase 1 involving Suppliers/ Contractors/ stakeholders evaluated in FY 2025
- **Customer Engagement:** To provide information about sustainable products, recycling initiatives, and ways to reduce waste via mobile apps or online platform and to encourage eco-friendly behavior through loyalty programs.
KPI FY 2024: One (1) engagement activity every quarter
Target: Total of Three (3) engagement activities by end of FY 2024

- **Paperless Back-End Operation:** To reduce paper consumption via digital technologies and systems by streamlining internal processes, data storage and communication management.

KPI FY 2024: Digitalise 30% of the Group's usage by end of FY 2024

Target: Digitalise 50% of the Group's usage by end of FY 2026

II. MEASURING CARBON FOOTPRINT OF THE BUSINESS COMPONENTS

- It is crucial for understanding and mitigating the environmental impact of our business operations in Food Processing Centre (FPC), Distribution Centre (DC) and the Outlets.

KPI FY 2024: Calculation of Emission for DC

Target: FY 2025 - Calculation of Emission for FPC

FY 2026 - Calculation of Emission for Outlets

Under the **SOCIAL (S) PILLAR**

I. TRAINING & DEVELOPMENT OF INTERNAL STAKEHOLDERS

To conduct various training programs to improve skills and knowledge. Career is essential for staff engagement and retention. To promote diversity, equity, and inclusion in the workplace through ongoing education and awareness-building efforts.

Target: On-job-training for new outlet staffs for a minimum of span of Five (5) days.

II. CSR PROJECTS

On top of the Group's ongoing "Allowances That Allow" initiatives on supporting underprivileged students of various schools across states, the Group will also be looking into a diverse range of initiatives aimed at making a positive impact on society and the environment such as tree planting project or other projects significant to a responsible and sustainable business.

KPI FY 2024: At least (1) CSR initiative under ESG by Q4 FY 2024

Target: One (1) fresh CSR initiative under ESG every year

Under the **GOVERNANCE (G) PILLAR**

The Group demonstrates its commitment towards responsible business practices, and sustainable development leading to value creation for stakeholders, brand reputation enhancement, and a more sustainable future.

Maintaining Zero Corruption: The Group's commitment to ethical business practices, integrity, and corporate social responsibility. Upholding the highest standards of transparency and accountability not only fosters trust among stakeholders but also helps safeguard the company's reputation and long-term sustainability.

Target: Net Zero Corruption every financial year.

- b) Going forward, for more transparent and effective presentation, does the Group plan to disclose in its Sustainability Statement, the major sustainability initiatives, KPIs and targets together with the outcomes/results?

Mynews' reply:

Yes, just as the inherent transparent reporting by the Group of its Sustainability Statement, the Group will remain committed in disclosing all its implementations of initiatives including its Major and Minor initiatives. Whereas for KPIs and Targets, the group is currently working on a feasible, measurable and meaningful target of all its initiative planned which will be reported in the respective Sustainability Statement each year.

Corporate Governance Matters

1. **Practice 1.4** of Malaysian Code on Corporate Governance (MCCG) stipulates that the Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

MyNews' response – Departure.

Mr Dang Tai Luk ("Luk"), the Board Executive Chairman is not a member of any Board Committees, namely Audit Committee ("AC"), Remuneration Committee ("RC"), Nominating Committee ("NC") and Risk Management Committee. Invitations are extended to Luk for his participation in the meetings of the Board Committees. The Board Committees view that his presence will not breach the check and balance system as well as objective review by the Board Committees on the agendas/matters presented during the said meetings (page 6 of CG Report 2023).

MSWG's comment – Though the Executive Chairman is not a member of any Board Committee, his attendance (by invitation) particularly with his inputs and the fact that he is the Board Chairman with executive functions may impair the objectivity of the Committee Chairman and other members. The Company may consider it appropriate that the Committees should conduct their meetings without the presence of the Board Chairman.

Mynews' reply:

We took note of MSWG's comment.

The Company viewed that the presence of the Executive Chairman will not impair the objectivity of the Committee Chairman and other members as the Chairman and the members of the Audit Committee, Remuneration Committee and Nominating Committee are all Independent Directors who bring relevant skills, experiences and have act in good faith in the best interest of the Company. The Independent Directors can constructively and without fear challenge executive management on any aspect of the decision-making process. In matters where conflicts of interest are involved, the Executive Chairman will have to abstain from discussion and decision making.

Besides, with the Executive Chairman (who is the former Group Chief Executive Officer)'s operational and business insights, he has assisted in answering questions posted by the Board Committees' members and this inevitably helps the Board Committee to make informed decisions and recommendations. As a result, the effectiveness in the Boardroom has increased.

Appendix 2

11th AGM 2024 - Pre-submitted questions from shareholders

1. Question from OOI DEREK

Do you prioritize enhancing CU's food quality through on-the-ground improvements? To succeed, CU Mart must surpass Family Mart's standards. Personally, I find Family Mart's foods are more appealing; their corn dogs are tastier when heated, and their mac and cheese has a richer flavor and more cheese. Customers notice these differences and expect superior taste and value. Please focus on improvement in this aspect.

Reply:

We strive to improve our current offering continuously. There will be cross over of products between the change. We shall ensure that the quality of food offered are improved to its best until they become our star products. Rest assured that we shall also improve the handling of the in-store food and its R&D in all aspect of our business stringently.

2. Question from KOH WIN KEONG

Kindly submit door gift to support your retail store. Noted during covid period door gift had been given but once recovery open management board is not empathy and forgot the shareholders support such as furnishing door gift.

Reply:

We empathize with shareholders who continuously support Mynews, hence there was dividend paid on 9 Nov 2023 to reward shareholders, even though we are still on recovery path.

3. Question from KHOO THONG SHENG

Dear Mr Chairman,

Being shareholder, I would like to understand the following:-

- a) Is there a dedicated team in charge of Gen Z consumer behavior. Gen Z has become one of the largest consumers in the convenience store.

Reply:

Generation Z ("Gen Z") are indeed the main patron of CVS business around the world and particularly in Malaysia. We spend a lot of efforts to understand the consumers' demographic, needs and behaviour along with the market trends.

Within our functional units, we have diverse employees equipped with tools such as CRM, in-store functions to observe consumer behaviors and provide input in development of our products, promotions, and services. In fact, most of our core products, e-members are Gen Z. More emphasis will be placed on this aspect of business when we are enhancing our consumers' tools.

- b) Is promotion of the in-store products/marketing strategy is being planned based on gauging input/feedback from the public or customers. There is an indication in the market in various industries that feedback and input play a crucial role in marketing/promotion strategy.

Reply:

Our promotion strategies are well planned ahead of time to meet the condition of our consumers' needs. Taking into the consideration of market trends, suppliers and consumers' feedback in the ever-changing retail world, to cater to our evolving consumers, it was adjusted and fine-tuned in accordance with the results achieved from the previous months.

4. Question from TEO KHIAN AIK

- a) Already 4 years in loss, is the board of director confident to turn profit this year?

Reply:

We are seeing a profit since 4Q2023. We are confident of sustaining it and working hard on increasing the profit level.

- b) Inventory wastage/write off has increased from RM7.9mil (2020) to RM21.8mil, any action taken?

Reply:

During MCO period in year 2020, supply from our FPC was disrupted, thus less supply to our retail stores. As these items are with short shelf lives, wastages increased when supply to both Mynews and CU stores increased in FY 2023. There is a delicate balancing act required on shelf display and demand planning. Sudden announcement of public holidays had also disrupted the accuracy of demand planning, which happened twice in FY 2023. We are monitoring the wastages and they are within controls for now.

- c) Has JAG Capital informed what is their plan in Mynews since they become 2nd major shareholder?

Reply:

There is no formal plan laid out to Mynews. However, JAG Capital Holdings Sdn Bhd has been helpful in sharing their opinions and providing guidance to Mynews, especially in the area of marketing.

- d) Noted that right of use asset is around RM205mil in balance sheet but depreciate of right of use assets is RM50mil, which is 25% of the assets. 7eleven is only around 11%; Why the rate is so high?

Reply:

Refer to Note 5 (Notes to the Financial Statements), the rate should be depreciation charge of RM50mil on cost of ROU assets of RM309mil, which is 16.4%.

- e) Any target for CU to turn profit?

Reply:
Hopefully, by this year.

5. Question from KHAW CHOKE HAN

- a) What is the dividend policy of MYNEWS?

Reply:
Since IPO, Mynews does not have a dividend policy. We will continue to maintain this position.

- b) As boycott become more and more frequent in Malaysia, what are the impact to Mynews business, does Mynews have any initiative to increase the market share since KK mart is now a victim of boycott.

Reply:
According to the latest Neilson's report, Mynews market share is growing. However, the growth is not due to the boycott. It is still too early to tell the impact of the boycott on Mynews. This is also partly because the boycott coincides with Ramadhan month, which is a month with unpredictable sales.

Mynews always keeps a close watch on the industry and continues to improve on any shortcomings in order to keep up with the expectations of the consumers and community. Our growth plan to increase the market share is long term and remains unchanged. We view the case of boycott as being temporary.

- c) Can Mynews make a profit in 2024?

Reply:
We have been profitable since 4Q2023. We hope to sustain and improve the profitability from year to year.

Appendix 3

Questions submitted during the 11th Annual General Meeting

- 1) May I know whether Ramadhan month will affect your business? If yes, will the coming quarter report loss? - YAW BOON HIN

Reply:

Normally the impact for Ramadhan is for the first two weeks, sales picked up thereafter. We shall have promotions strategies to cover the loss in sales thereafter.

- 2) Will 2024 be better than 2023 or be worse due to new challenges? - TEH KIAN LANG

Reply:

We have confidence to be better in FY2024 despite all the challenges.

- 3) Regarding Mynews Maru Cafe - will this brand expand like GiGi Coffee or ZUS Coffee and what is the company intention? - ONG KEN WAI

Reply:

Maru Coffee has been available at Mynews' outlets for a few years now and it generates good sales revenue. We see the potential for Maru Coffee to have standalone Cafés in order to serve more people. We plan to grow this business segment faster within Mynews outlets and standalone Café with a wide range of food besides coffee beverages.

- 4) Despite only operating with 19 outlets, WH Smith reported very good results which saw a 165% improvement in net profit for FY2023 vs FY2022 (Note 9 - Page 133 of AR) - LEW TUCK WAI

- (i) What are the reasons for the good profitability compared to other myNEWS outlets?
- (ii) Will there be new WH Smith outlets planned in FY2024 and if yes, where will be the location?

Reply:

- (i) There was half year impact from MCO in the first half of FY2022, therefore larger improvement noted. (Border opening on 1 Apr 2022)
- (ii) Yes, more outlets will be opened subject to space availability in the airports.

5) CU stores took longer than anticipated to achieve profitability and is now a tail end of gestation period (Management Discussion - Page 15 of AR) - LEW TUCK WAI

- (i) When is Management targeting CU Stores to turn profitability at the EBITDA level?
- (ii) What steps are taken to improve the performance of CU stores in view of the stiff competition in the market?

Reply:

- (i) CU is EBITDA positive since mid FY 2023.
- (ii) Measures taken and continuously embark on to improve the performance of CU stores are in store promotion, marketing strategy and operational excellence, cost prioritisation - wastage reduction, improving outlet footfall, expanding range of product mix & margins.

6) Finance cost increased by 27.8% in FY2023 despite the lower total borrowing as at FYE2023. What are the actions taken to mitigate the higher finance costs which are attributed to the increase in interest rates? - LEW TUCK WAI

Reply:

The increase in the interest rate is uncontrollable but we shall endeavor to reduce our borrowing for stores capex financing, with private placement fund.

- 7)
- (i) How much does the company spend on this virtual AGM ? - TEH PENG TIN
 - (ii) Would the BOD kindly give CU e- voucher as a token of appreciation for attending this RPV, since the company has not giving any dividends?
 - (iii) I would like to request a printed hard copy of the company annual report.

Reply:

- (i) Virtual AGM cost is below RM30K.
- (ii) The dividend was paid on 9 Nov 2023 despite Mynews was still on recovery path.
- (iii) Our Share Registrar will send you a copy of the printed hard copy of the Annual Report 2023

8) In past AGMs, one of the common questions asked by shareholders was the high value of inventories written off and wastages. In FY2023, the value was RM21.724 million (Note 13 - Page 136 of AR). - LEW TUCK WAI

Can management provide an update on measures taken to improve the amount of inventories written off and wastages? Will further digitization in the operations of the outlets helps?

Reply:

We are working towards better SKUs production planning & logistics planning. We shall run more discounts to clear short shelf-life products while offer bins are placed in selected stores to clear near expiry products for Dry Merchandise categories.

- 9) The Management Discussion and Analysis states that the Food Processing Centre still has room for growth until the maximum capacity is reached. - LEW TUCK WAI
- (i) What was the capacity utilisation in FY2023
 - (ii) When is the maximum capacity is expected to reach based on management's latest projection.?

Reply:

- (i) It was about 70% utilisation rate based on single shift production.
- (ii) There is still room for improvement and growth, however, we are comfortable with this level of capacity. The FPC is there to serve the outlets' demand. As the sales improve from the retail front, the capacity will increase in parallel.

- 10) Mynews has been making losses in the past 4 years, despite higher stores and higher revenue (Page 11). - LAW KUNG HOO

- (i) Are this mainly due to the drag of CU stores and Food Processing Centre?
- (ii) What is the gross margin of Mynews, CU, WH Smith and SUPERVALUE stores separately, and what is the trend over the past 5 years?

Reply:

- (i) Please refer to our reply to MSWG, answer no. 1.
- (ii) The overall GP margin was at pre-pandemic level. We are not able to disclose separately due to confidentiality.

- 11) (i) What is the main improvement of this quarter's result compared to last quarter? - CHEAH SERN CHONG

- (ii) Any foresee loss for future quarter?
- (iii) Is CU store already breakeven? If not yet, when?
- (iv) How long it takes for each CU store to breakeven?
- (v) What is the future strategic plan to increase profit?

Reply:

- (i) Higher outlet footfall in Q1 2024, therefore, better performance.
- (ii) Q2 may be slightly affected in first 2 weeks of Ramadhan, nevertheless, we shall strategize to cover the impact thereafter.
- (iii) & (iv) CU is EBITA positive.
- (v) As per outlook explained by GCEO.

- 12) Understand that CU stores and Food Processing Centre are still making loss and a drag to the group. - LAW KUNG HOO
- (i) When does management expect CU and FPC to turn around?
 - (ii) In hindsight, are these good investments?

Reply:

- (i) The Management is hopeful that CU will turn around by end of the year and the FPC is near to breaking even.
- (ii) Yes, they are good investments. FPC serves the retail stores very well.

- 13) By when we expected to get the dividend? - CHEANG CHEE HOONG

Reply:

There is no dividend policy, but we hope to declare dividends in future to reward shareholders when the Company performance improves.

- 14) May I know how management determines the shop's product. - CHANG KOK SOON

For example, in SS15 SUBANG, there are 3 Mynews 1 CU. 1 Mynews outlet located at LRT station, selling FMCG products such as nestle coffee. 1 Mynews is selling Maru coffee but there is no in-house RTE food. 1 Mynews outlet sells Maru buns and sandwiches but does not sell Maru coffee, only 3in1 coffee. (Sometimes I plan to have Maru coffee and Maru bread at the same time, but there is no Maru bread in the same store)

Reply:

In view of the store layout, size and infrastructure at respective stores, we are facing difficulties standardizing the offerings. Location and its surroundings will be taken into consideration when we determine which brand to place.

- 15) Property, plant and equipment asset is RM225mil, reduced from previous FY2022 because depreciated is RM29mil; Depreciation cost for right to use asset is RM50mil, but Right-of-use assets is RM205mil in FY2023 and RM208mil in FY2022, why depreciated cost is high but the non-current asset right of use did not change much? - TEO KHIAN AIK

Reply:

It was mainly due to the expired or terminated tenancy which reversed the cost of right of use assets for RM99.5 million and with lower additions of RM39 million in FY2023 compared to FY2022.

16. Hope share market will go up higher. - GAN SIEW KEEN

Reply:

We hope so as well. Do continue to come and spend at our outlets.

17. Which type of store has higher profit contribution by percentage, CU or myNEWS? - CHEAH SERN CHONG

Reply:

Mynews Retail had already recovered from the pandemic. We are hopeful that CU can be profitable this year.

18. Is CU by its own profitable? If not, what's the plan in store for CU? - TEH KEAN HOE

Reply:

This question had been answered earlier.

19. What is the key strategy and marketing promotion for myNEWS in the future? As other convenience store also bringing in Korea brand to comparative advantage to another brand? Thank you. - GAN KIAN HOO

Reply:

Our marketing activities have always ensured that we are visible to our consumers and that we can reach out to them on whichever channels and through our in-store promotions. This expands beyond marketing promotion - we also include product ranges that are relevant to our consumers.

The fact that we are seeing competition in convenience stores strategy bringing in Korean brands confirm that we made the right decision bringing CU in.

20. Is there plan for Mynews to expand beyond Malaysia? - CHEAH SERN CHONG

Reply:

No. Not at the moment.

MYNEWS HOLDINGS BERHAD
(1039846-T)

Eleventh Annual General Meeting
Broadcast Venue at Lot No. 3, Jalan Teknologi 3/1, Taman Sains Selangor 1, Seksyen 3, PJU 5, Kota Damansara, 47810 Petaling Jaya,
Selangor Darul Ehsan, Malaysia and via the TIIH Online website at <https://tiih.online>
On 26-March-2024 at 10:00AM

Result On Voting By Poll

Resolution(s)	Vote For		Vote Against		Total Votes	
	No of Units	%	No of Units	%	No of Units	%
Ordinary Resolution 1	534,746,905	99.9950	26,855	0.0050	534,773,760	100.0000
Ordinary Resolution 2	534,487,804	99.9895	55,956	0.0105	534,543,760	100.0000
Ordinary Resolution 3	531,174,106	99.9970	15,754	0.0030	531,189,860	100.0000
Ordinary Resolution 4	534,931,206	99.9977	12,554	0.0023	534,943,760	100.0000
Ordinary Resolution 5	534,932,105	99.9974	14,155	0.0026	534,946,260	100.0000
Ordinary Resolution 6	534,186,706	99.8585	757,054	0.1415	534,943,760	100.0000
Ordinary Resolution 7	132,768,258	99.9588	54,702	0.0412	132,822,960	100.0000
Ordinary Resolution 8	534,889,058	99.9898	54,702	0.0102	534,943,760	100.0000
Ordinary Resolution 9	430,949,058	99.9873	54,702	0.0127	431,003,760	100.0000

